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TAGS: [PREL](#) [KPAL](#) [KWBG](#)
SUBJECT: PALESTINIAN POLITICAL FIGURES ON SALARIES,
HAMAS-FATAH RELATIONS, AND NATIONAL DIALOGUE

REF: A. JERUSALEM 1824
[1](#)B. OSC GMP 20060504620004 RAMALLAH AL-AYYAM 4 MAY 06

Classified By: Consul General Jake Walles. Reasons: 1.4 (b) and (d).

Summary

[1](#)1. (C) Presidential Advisor Akram Hanniyyah and PLC member Salam Fayyad commented to Consul General in separate May 9 meetings that the payment of PA salaries is a critical issue. Hanniyyah pressed for immediate disbursement of the USD 70 million in Cairo, saying it would shift the press story from US blocking bank transfers to Hamas' inability to govern, once those donations were expended. By contrast, Fayyad thought that any movement on salaries now would let Hamas off the hook and was ill-advised. Akram Hanniyyah recounted in detail the recent stormy meetings between President Mahmoud Abbas (Abu Mazen) and Prime Minister Ismael Hanniyyah, saying that Abu Mazen had been extremely critical and had turned down all Hamas proposals. According to Akram Hanniyyah, Hamas signaled interest in a NUG, but Abu Mazen was firm in saying that no progress could be made if Hamas still headed the government. Both Fayyad and Akram Hanniyyah lauded a May 4 article by Fayyad on the background of the current economic situation, saying it had not been met by any effective Hamas response; Fayyad intends to follow the article up with more articles and television appearances. Neither Akram Hanniyyah nor Fayyad are optimistic about the prospects for a National Dialogue.

Paying PA Salaries

[1](#)2. (C) Akram Hanniyyah made a strong pitch for transferring the USD 70 million in Arab League coffers to the PA. He said that, as a newspaperman, the story of the US blocking the transfer of funds to pay salaries for Palestinian civil servants is only helping Hamas. As a practical measure, he observed that Hamas would deplete the funds within days and would then would no longer have the excuse of saying salaries were not being paid because of blocked bank transfers - instead, the story would shift to Hamas' inability to attract donors because of their political positions. Consul General took note of his comments, but pointed out that setting a precedent of transferring funds to pay salaries could quickly lead to more donations and thereby enable Hamas to govern without fulfilling the conditions laid out by Abu Mazen and the Quartet.

[1](#)3. (C) Fayyad was scathing about European pressure to pay salaries: "let them go ahead and pay," he commented

ironically. He observed that the French had only donated \$3.3 million in 7 years, the British \$10-12 million over 10 years, and that European donations had largely dried up. Fayyad thought the timing of European interest in paying some salaries was "unfortunate," as Hamas is only now beginning to feel financial pressure. He also thought it important for the Quartet to avoid giving any signals that its position on Hamas is weakening.

Hamas-Fatah Friction Points

¶4. (C) Akram Hanniyyah said the meeting between Abu Mazen and Prime Minister Hanniyyah on May 6 had been stormy, with presidential advisors Rafiq Husseini and Rawhi Fattouh having to intervene with Abu Mazen in an effort to calm the President down. The Prime Minister pressed for the naming of deputy ministers and directors general in the ministries; Abu Mazen refused. Abu Mazen rebuked Sayyid Siam for his creation of a special force in Gaza, saying the Interior Minister should instead use regular hiring procedures. The Prime Minister asked that the President take ministers along when he made foreign trips; Abu Mazen refused, saying that foreign countries would not meet with Hamas ministers. Abu Mazen took the Prime Minister to task for comments he had made in recent Friday sermons and, overall, reportedly spoke for 2.5 hours in the 3.5 hour meeting. A follow-on "technical" meeting of teams headed by lower level officials discussed a range of issues such as the security forces and personnel appointments, but reached no conclusions.

¶5. (C) Akram Hanniyyah observed growing splits among Hamas leaders, with the limelight leaving the Damascus Hamas leadership and instead turning toward elected Hamas leaders

such as the Prime Minister. Hanniyyah also detected splits between the West Bank and Gaza Hamas leaders, observing that the population of the West Bank is more sophisticated than Gaza, resulting in tougher questions and more nuanced replies from Hamas West Bank leaders. Hanniyyah said that Hamas leaders are signaling interest in a National Unity Government (NUG), and that Abu Mazen had been firm in his replies: a NUG would not work with Hamas in charge. Hanniyyah thought that private sector political initiatives such as that of Munib Masri (ref a) were helpful, but warned that Hamas would not give up power easily and that Iran and Syria would take steps to sabotage any such moves. He expressed concern about keeping Hamas-Fatah confrontations peaceful, alluding to clashes in Gaza on May 8 and 9. He underscored the criticality of supporting Abu Mazen, saying there was no "number 2" in this situation. In the current political circumstances, Fatah's fate was tied to Abu Mazen far more than it ever had been tied to Yassir Arafat.

Salam Fayyad Article

¶6. (C) Fayyad believed his May 4 article debunking Hamas' accusations and laying out the real reasons for the current economic situation had been well received (text in ref (b)). He planned to continue building on its themes in follow-on articles and television appearances. Akram Hanniyyah was highly complimentary of Fayyad's article, saying reactions had been very positive and noting Hamas had not mustered any effective response. He looked forward to Fayyad appearing on local TV throughout Palestinian areas.

National Dialogue

¶7. (C) Hanniyyah was not optimistic that the Hamas-Fatah National Dialogue, currently scheduled to begin on May 23, would actually take place. Touching on intra-Hamas dynamics, he observed that the Dialogue would showcase Hamas leaders from Gaza and the West Bank to the exclusion of those based

in Damascus. He was also concerned about an outsized role for factions, and thought it would be preferable to balance that with more participation by members of civil society. Fayyad was similarly pessimistic, saying he would participate in preparations for the Dialogue, but questioned whether it would occur.

WALLES